

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 3136 - SB 3096

February 16, 2010

SUMMARY OF BILL: Establishes the “Tennessee Catfish Marketing Law” which requires all retailers of catfish, catfish products, siluriformes, or siluriforme products to provide the consumer notice of the country of origin of the product by means of label, stamp, mark, placard, or other visible signage on the package, display, bin, or holding unit. Authorizes the Commissioner of Agriculture to require retailers to maintain a recordkeeping audit trail to verify this bill. Requires all wholesalers and distributors of catfish, catfish products, siluriformes, or siluriforme products to provide the retailer or food service establishment notice of the country of origin of the product. Requires the Department of Agriculture to establish a marketing campaign in consultation with the Tennessee Restaurant Association placing emphasis on the benefits of patronizing Tennessee restaurants and eating domestic catfish. Requires the Commissioner to investigate complaints received related to catfish served in food service establishments. Allows establishments three days to come into compliance with regulations established by the Commissioner. Violations are punishable by civil penalties up to \$1,000 for the first violation, \$2,000 for the second violation, and \$5,000 for the third or subsequent violation or revocation of the retail or food establishment’s license. Any owner or manager of a food service establishment found to be in violation is subject to penalty of \$100 for the first violation, \$250 for the second violation, and \$1,000 for the third or subsequent violation. Authorizes the Commissioner to enter the premises of any wholesaler, distributor, or retailer to pull samples for testing. Requires the Departments of Health and Agriculture to enter into a written cooperative agreement which authorizes the Department of Agriculture to perform inspections.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$59,200/One-Time
\$265,200/Recurring**

Assumptions:

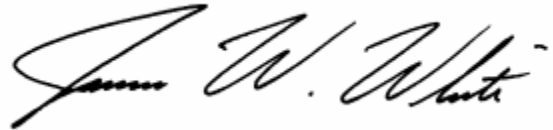
- According to the Department of Agriculture, in order to meet the additional inspection points required by this bill, an additional two Food and Dairy Inspector positions will be required. The recurring increase in state expenditure for these additional positions is estimated to be \$108,351 which includes salaries (\$62,256), benefits (\$21,790), telecommunications, (\$1,100), and travel (\$23,205).

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- The Department will also require a Chemist position to accomplish the testing requirements as stipulated with a recurring increase to state expenditures of \$50,462 for salary (\$36,972), benefits (\$12,940), and telecommunication charges (\$550).
- Additional testing will result in the need for one-time purchase of new laboratory equipment (\$45,000), as well as annual maintenance (\$4,500), additional lab supplies (\$7,200), inspection supplies (\$1,000), and purchase of samples at retail and wholesale establishments (\$1,200) for a total recurring cost of \$13,900.
- According to the Department, the total one-time costs for the initial mailings of promotional brochures (\$1,900) and notification letters (\$12,325) to all establishments that fall under this bill is estimated at \$14,225. Recurring expenses for a statewide media campaign is estimated to be \$90,000 (\$30,000 x 3 grand divisions).
- The recurring cost for Web site development and maintenance is estimated to be \$2,500.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

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